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SOURCE Tung-pei Jih-pao.NORTH CHINA REORGANIZES TRADE STRUCTURE

T'ien-ching, 17 September (NCNA) -- In August 1949, the North China state-controlled commercial structure underwent a complete change to meet immediate economic needs. The North China Trading Company in T'ien-ching was dissolved and 11 specialized companies were established to manage domestic and foreign trade.

Companies controlling domestic trade include the North China Provisions Company, North China Yarn and Cloth Company, North China Department Store, North China Coal and Iron Company, and the Ch'ang-lu Salt Company.

Companies controlling the export trade include the North China Native Products Company, North China Hides and Furs Company, North China Oil and Fat Company, North China Hog Bristle Company and North China Egg Products Company. For import control there is the North China Import Company. The domestic trade companies function directly under the Ministry of Commerce of the North China People's government. The foreign trade companies operate under the North China Foreign Trade Bureau.

At the same time, all provincial and municipal trading companies have been dissolved in North China. In their place, the special companies in important cities along the main highways of communications will establish branch companies.

The change resulted from a meeting of trading agencies held in T'ien-ching on 25 July 1949. At this meeting, the Ministry of Industry and Commerce of the North China People's government and the North China Trading Company presented concrete studies and recommendations for revisions in operational procedures. It was agreed that business enterprises set up by municipal, district, or provincial governments are not suited for present-day foreign and domestic trade activities, and that present-day government-controlled commerce had become too complex. Specialization was necessary for efficient management. In the past, provincial trading companies in North China were responsible to both provincial and central government authorities. Often they were too decentralized and too involved in local responsibilities to purchase and sell profitably and effectively for the whole area.

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This new arrangement should integrate the activities of each special company and enable the area as a whole to develop along healthier lines.

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